

COOPERATION AGREEMENT

This agreement was set up in Neu-Isenburg on the 24th of June, 1987

between

Messrs.

HAVERT Industrie-Handelsgesellschaft mbH
Herzogstr. 61, 6078 Neu-Isenburg / F R G

represented by Mr. Gerhard J. Paul

- on the one part -

and

Messrs.

Torrington Investment Inc.,
8 rue de Rhone
1211 Geneva 11
Switzerland

represented by Mr. Samir A. Vincent

- on the other part -

Both parties are for the objective of their close cooperation in Iraq with the State Organization for Technical Industries (S.O.T.I.) and the Ministry of Defence (M O D), likely to give access to each other to the afore-mentioned clients and in order to secure the interest they have in such sources the following has been agreed upon:

1.) Both parties will jointly work on projects, transfer of technologies, consulting and engineering services and supplies required by S.O.T.I. and M O D, regardless of which party these requirements are being transfered to.

2.) The party which is approached by S.O.T.I. or M O D will bring the demand to the notice of the other party. If both parties agree to cooperate on this demand, the decision will be confirmed in writing and will form an integral part of this agreement.

3.) Any agreement that one party will conclude with a third party (partner, contractor etc.) for the execution of this demand will cover fully the interest of the other party. The party that enters into such agreement will notify the other party. The commission fixed under such agreement will be on case to case basis.

4.) Should one party execute a demand on its own account a commission for the other party is to be included into such a direct business, the percentage of which is to be agreed upon from case to case as well.

5.) The commission will become due only if payment is received from a third party as stated under para 3 or in case of a direct business by the client as under para 5. Payment of commission under this agreement will be made in the same ratio as payments received from a third party or the client.

6.) All expenses incurred by each party under this agreement shall be deemed to be covered by the commission set-forth.

7.) Both parties will give full disclosure to the other at all times on all matters and prices relating to their cooperation interests.

8.) All information given and received shall be treated with all reasonable confidentiality at all times by both parties.

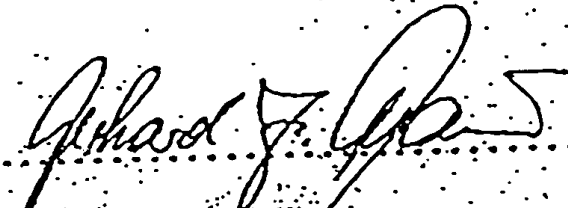
9.) This agreement is concluded for an indefinite period. Within the first three years from its conclusion it shall be terminable at 3 months' notice; after three years it shall be terminable at 6 months' notice.

10.) This agreement shall be subject to German Law.

The competency of jurisdiction shall be Frankfurt / Main.

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Samir A. Vincent

for Torrington Investment Inc.


Gerhard J. Paul

for HAVERT Industrie-
Handelsgesellschaft mbH

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Both parties agreed, that the cooperation agreement signed on December 13, 1986 is to be considered nil and void and that the parties involved have no right to make claims against each other within this agreement.

Samir Vincent

Samir A. Vincent
for PHOENIX International

Feb. 12, 1988

GP 12/12/88

Gerhard J. Paul
for HAVERT Industrie-
Handelsgesellschaft mbH